

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

OCT 29 2003

RECLAMATION CONTRACT

---ooOoo---

DIVISION OF OIL, GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/049/031
(Mineral Mined) Limestone

"MINE LOCATION":
(Name of Mine) Staker & Parson Co. Lehi Quarry
(Description) 2 miles west of intersection
of SR-73 and Redwood Road

"DISTURBED AREA":
(Disturbed Acres) 145.6 Acres
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Staker & Parson Companies
(Address) P.O. Box 3429
Ogden, UT 84409
(Phone) (801) 731-1111

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

CT Corporation Systems

50 West Broadway, 8th Floor

Salt Lake City, UT 84101

(801) 364-5101

"OPERATOR'S OFFICER(S)":

John Parson, CEO

SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

XL Specialty Insurance Company

~~XXXXXXXXXX~~

"SURETY AMOUNT":

(Escalated Dollars)

\$387,900.00

"ESCALATION YEAR":

2003

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Staker & Parson Companies the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/031 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved Notice of Intention and Reclamation Plan received October 28, 1997. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Staker & Parson Companies
Operator Name

By John Parson
Authorized Officer (Typed or Printed)

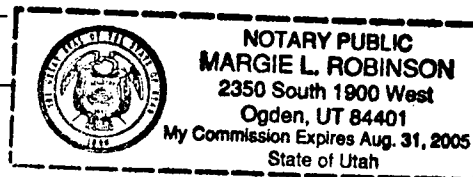
CEO
Authorized Officer - Position

John Parson October 23, 2003
Officer's Signature Date

STATE OF Utah)
) ss:
COUNTY OF Weber)

On the 23rd day of October, 2003, John Parson
personally appeared before me, who being by me duly sworn did say that he/she is the
CEO of Staker & Parson Companies and duly
acknowledged that said instrument was signed on behalf of said company by authority
of its bylaws or a resolution of its board of directors and said
CEO duly acknowledged to me that said
company executed the same.

Margie L. Robinson
Notary Public
Residing at Libby City
2005
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By

Mary Ann Wright
Mary Ann Wright, Associate Director

Date

Nov. 12, 2003

STATE OF Utah)

COUNTY OF Salt Lake) ss:

On the 12th day of November, 2003, Mary Ann Wright personally appeared before me, who being duly sworn did say that she, the said Mary Ann Wright is the Associate Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and she duly acknowledged to me that she executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public

Residing at: S.L.C. Ut

April 4, 2005
My Commission Expires:

ATTACHMENT "A"

Staker & Parson Companies
Operator

Lehi Quarry
Mine Name

M/049/031
Permit Number

Utah County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 145.6 acres under the approved permit and surety, as reflected on the attached map labeled Lehi Quarry and dated September 16, 2003:

Northwest Quarter of Section 16, Township 5 South, Range 1
West, Utah County, Utah

ATTACHMENT B

FORM MR-5
January 19, 2000

Bond Number [REDACTED]
Permit Number M/049/031
Mine Name LEHI PECK PIT

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
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THE MINED LAND RECLAMATION ACT

DIV OF OIL GAS & MINING

SURETY BOND

The undersigned STAKER & PARSON COMPANIES, as Principal, and XL SPECIALTY INSURANCE COMPANY, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of THREE HUNDRED EIGHTY-SEVEN THOUSAND NINE HUNDRED dollars (\$ 387,900.00 * * * *).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 6th day of APRIL, ~~20~~ 1999 that 145.6 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the

expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

STAKER & PARSON COMPANIES


Principal (Permittee)

Randy Anderson

By (Name typed):

Vice-Pres. Pits/Quarries

Title


Signature

10/11/03

Date

Surety Company

XL SPECIALTY INSURANCE COMPANY

Surety Company Name

TINA DAVIS

Surety Company Officer

ATTORNEY-IN-FACT

Title/Position

25 INDEPENDENCE BLVD., STE. 103

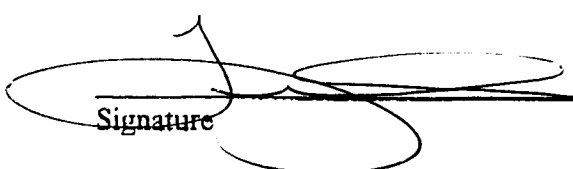
Street Address

WARREN, NEW JERSEY 07059

City, State, Zip

801-539-7406

Phone Number

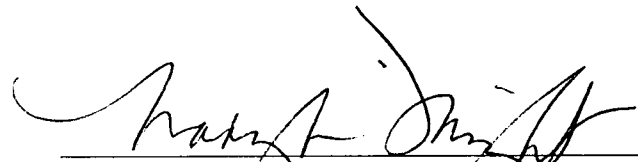

Signature

9/26/03

Date

SO AGREED this 12th day of November, 2003.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Mary Ann Wright, Associate Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

Bond Number ~~XXXXXXXXXX~~
Permit Number M/049/031
Mine Name LEHI PECK PIT

AFFIDAVIT OF QUALIFICATION

On the 26TH day of SEPTEMBER, 20 03, TINA DAVIS
personally appeared before me, who being by me duly sworn did say that he/she, the said
TINA DAVIS is the ATTORNEY-IN-FACT of
XL SPECIALTY INSURANCE COMPANY and duly acknowledged that said instrument was
signed on behalf of said company by authority of its bylaws or a resolution of its board of
directors and said TINA DAVIS duly acknowledged to me that said
company executed the same, and that he/she is duly authorized to execute and deliver the
foregoing obligations; that said Surety is authorized to execute the same and has complied in all
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and
obligations.

Signed: [Signature]
Surety Officer

Title: ATTORNEY-IN-FACT

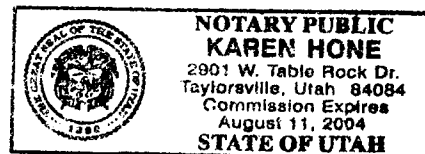
STATE OF UTAH)
COUNTY OF SALT LAKE) ss:

Subscribed and sworn to before me this 26TH day of SEPTEMBER, 20 03.

Karen Hone
Notary Public
Residing at: SALT LAKE CITY, UTAH

My Commission Expires:

AUGUST 11, 20 04



**SURETY DISCLOSURE
NOTICE CONCERNING FEDERAL TERRORISM
RISK INSURANCE ACT**

You should know that, effective November 26, 2002, the US Congress enacted the Terrorism Risk Insurance Act of 2002 (the "Act"). Under the Act, any covered losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

In accordance with this Act, we are providing this disclosure notice for bonds on which XL Specialty Insurance Company is the surety.

DISCLOSURE OF PREMIUM

The portion of the bond premium attributable to coverage for certified acts of terrorism under the Act is Zero Dollars (\$0.00)



THIS IS NOT A BOND NUMBER
UNLIMITED POWER OF ATTORNEY

XLS 73376

KNOW ALL MEN BY THESE PRESENTS: That the XL SPECIALTY INSURANCE COMPANY, a corporation organized and existing by virtue of the laws of the State of Delaware ("Company" or "Corporation"), with offices at 25 Independence Blvd., Suite 103, Warren, New Jersey, 07059, does hereby nominate, constitute and appoint; **Tina Davis, Jace Pearson, Doris Martin, Karen Hone, Vicki Sorensen,** its true and lawful Attorney(s)-in-fact to make, execute, attest, seal and deliver for and on its behalf, as surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof, the penal sum of no one of which is in any event to exceed **\$UNLIMITED.00**. Such bonds and undertakings, when duly executed by the aforesaid Attorney(s)-in-fact shall be binding upon the said Company as fully and to the same extent as if such bonds and undertakings were signed by the President and Secretary of the Company and sealed with its corporate seal. This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company on the 5th day of December, 1988:

"RESOLVED, That the President, or any Vice President of the Company or any person designated by any one of them is hereby authorized to execute Powers of Attorney qualifying the attorney named in the given Power of Attorney to execute in behalf of the Company, bonds, undertakings and all contracts of suretyship, and that any Secretary or any Assistant Secretary of the Company be, and that each or any of them hereby is authorized to attest the execution of any such Power of Attorney, and to attach thereto the Seal of the Company.

FURTHER RESOLVED, That the signature of such officers and the Seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be thereafter valid and binding upon the Company with respect to any bond, undertaking or contract of suretyship to which it is attached."

Bonds executed under this Power of Attorney may be executed under facsimile signature and seal pursuant to the following Resolution adopted by the Board of Directors of the Company on August 7, 1997.

"RESOLVED, That the signature of Nicholas M. Brown Jr., as President of this Corporation, and the seal of this Corporation may be affixed or printed on any and all bonds, undertakings, recognizances, or other written obligations thereof, on any revocation of any Power of Attorney, or on any certificate relating thereto, by facsimile, and any Power of Attorney, any revocation of any Power of Attorney, bonds, undertakings, recognizances, certificate or other written obligation, bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation."

IN WITNESS WHEREOF, the XL SPECIALTY INSURANCE COMPANY has caused its corporate seal to be hereunto affixed, and these presents to be signed by its duly authorized officers this September 16th, 2003.

XL SPECIALTY INSURANCE COMPANY



Nicholas M. Brown Jr.

BY

PRESIDENT

[Signature]

Attest:

SECRETARY

STATE OF NEW JERSEY
COUNTY OF BERGEN

On this 16th day of September, 2003, before me personally came Nicholas M. Brown Jr. to me known, who, being duly sworn, did depose and say: that he is President of the Corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the aforesaid instrument is such corporate seal and was affixed thereto by order and authority of the Board of Directors of said Company; and that he executed the said instrument by like order.

REBECCA CLAIRE KOLLHOFF
Notary Public
State of New Jersey
My Commission Expires 3/8/2007



Rebecca Claire Kollhoff

NOTARY PUBLIC

STATE OF DELAWARE
COUNTY OF NEW CASTLE

I, Ben M. Llaneta, Secretary of the XL SPECIALTY INSURANCE COMPANY a corporation of the State of Delaware, do hereby certify that the above and forgoing is a full, true and correct copy of Power of Attorney issued by said Company, and that I have compared same with the original and that it is a correct transcript therefrom and of the whole of the original and that the said Power of Attorney is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, at the City of Wilmington, this 26 day of SEPTEMBER 20 03



SECRETARY

[Signature]

This Power of Attorney may not be used to execute any bond with an inception date after September 16, 2007

This document is printed on a blue background

File No.: M/049/031
Effective Date: Nov 12, 2003
DOGM Lead: Lmk

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

RECEIVED

OCT 29 2003

DIV OF OIL GAS & MINING

TRANSFER OF NOTICE OF INTENTION
LARGE MINING OPERATIONS

--ooOoo--

1. (a) Notice of Intention to be transferred (file number): M/049/031
(b) Name of mining operation: Lehi-Peck Quarry
(c) Location of mining operation (county): Utah County
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):
Valley Asphalt Inc. (801) 798-7486
1172 South Del Monte Road
P.O. Box 220, Spanish Fork, UT 84660
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):
Staker & Parson Companies
(801) 298-3900
P.O. Box 27598, Salt Lake City, UT 84127
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:
Michael Dalley (801) 258-3900
151 West Vine Street
Murray, UT 84107
3. (a) The total number of disturbed acres permitted and bonded under the approved Large Mining Notice of Intention: 145.6 Acres

- (b) Complete Appendix "A"(attached), a legal description of the approved and bonded disturbed acreage (include: Township(s), Range(s), and section(s), *to the 1/4, 1/4, 1/4 section*, and the county).
 - (c) The actual number of acres disturbed by the mining operation through the date of this transfer: 34.8 Acres
 - (d) Attach a topographic map (labeled as Appendix "B") of suitable scale which clearly outlines the existing disturbed area boundaries through the date of this transfer (max. scale, 1 inch = 500 ft., 1 inch = 200 ft., or larger scale is preferred). Label disturbed areas as appropriate.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety.

STATE OF Utah)
) ss.
COUNTY OF Salt Lake)

SWORN STATEMENT OF TRANSFEROR

I, Chad Lund being first duly sworn under oath, depose and say that I am Agent (officer or agent) of Valley Asphalt, Inc. (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the said application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement I certify that the Transferor is in full compliance with the Utah Mined Land Reclamation Act, the Rules and Regulations promulgated thereunder, and the terms and conditions of Notice of Intention No. M/049/031.

Chad Lund

Signature

Chad Lund

Name (type or print)

Contract Employee

Title

Subscribed and sworn before me this 1 day of October, 2003.

"ORIGINAL"
NOTARY STAMP
IS
HERE

Alice R. Niemeyer

Notary Public

Residing at: _____

My commission Expires:

_____, 20____.

STATE OF Utah)
) ss.
COUNTY OF Salt Lake)

FINAL SWORN STATEMENT OF TRANSFEREE

I, Randy Anderson being first duly sworn under oath, depose and say that I am Agent (officer or agent) of Staker & Parson Companies (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement, the Transferee agrees to be bound by the terms and conditions of Notice of Intention No. M/049/031, the Utah Mined Land Reclamation Act, and the Rules and Regulations promulgated thereunder.

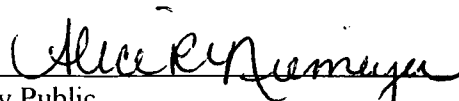

Signature

Randy Anderson
Name (type or print)

Vice-President Pits/Quarries
Title

Subscribed and sworn before me this 1 day of October, 20 03.

"ORIGINAL"
NOTARY
STAMP
IS HERE


Notary Public
Residing at: _____

My commission Expires:

_____, 20____.


CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant approval of same, subject to the following limitations and conditions:

- (a) This large mining permit transfer grants only the right to affect the lands as described in Appendix "A" (attached).
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety. The surety shall be effective on or before the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired the legal right to mine said lands as described in Appendix "A".
- (d) A topographic map of suitable scale is attached (as Appendix "B") which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

COMMENTS:

APPROVED: 

 Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Effective Date: Nov. 12, 2003

NOI No.: M/049/0.31

APPENDIX "A"

Staker & Parson Companies
New Operator

Lehi-Peck Quarry
Mine Name

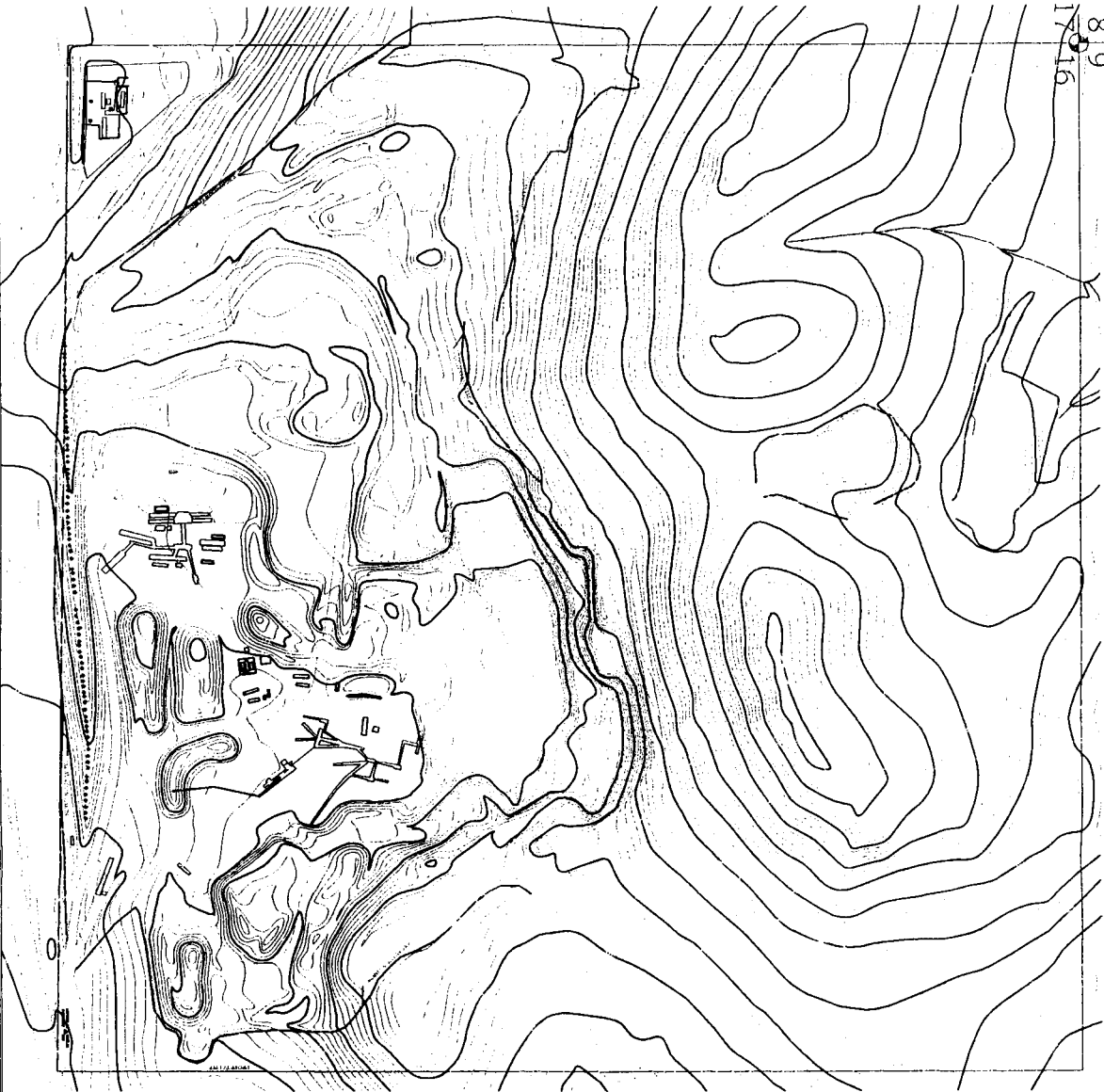
M/049/031
Permit Number

Utah County, Utah

The legal description of the lands to be disturbed is (Township, Range and section(s) to the 1/4, 1/4, 1/4 section):

Northwest quarter of Section 16, Township 5 South, Range 1
West, Utah County, Utah

819
1716



Beginning At the Northwest Corner of Section 16,
Township 5 South, Range 1 West of the
Salt Lake Base Meridian;
Thence S 00°23'25" W A Distance Of 2612.74';
Thence N 89°07'57" W A Distance Of 2654.10';
Thence N 00°15'00" E A Distance Of 2576.78';
Thence S 89°54'30" E A Distance Of 2660.35';
which is the point of beginning.

Notes:

34.78 Acres of Disturbed Area



STAKER PARSON

Lehi Peck Quarry

Utah County

Current Site Map

1:300

LAH 091003

STAKER & PARSON